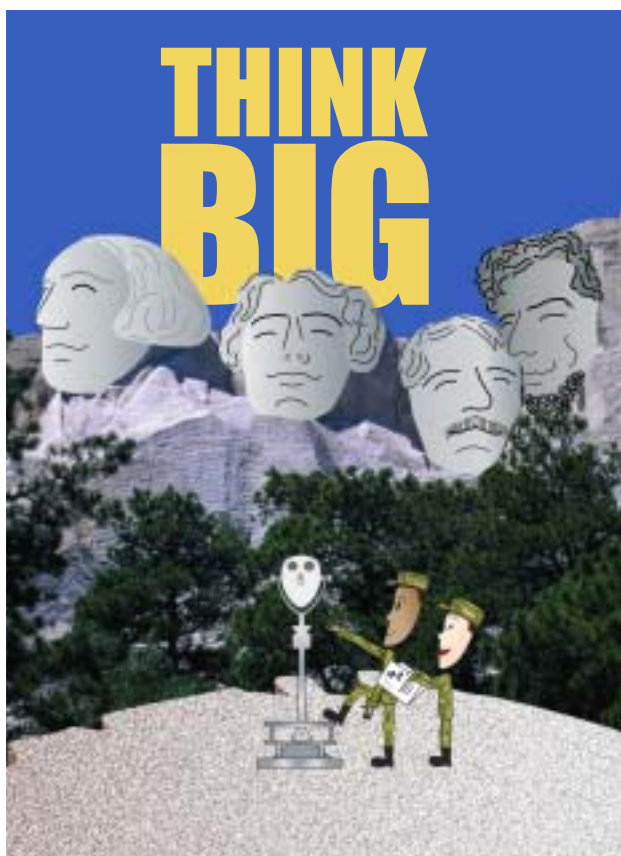


TSP

Open Season

April 15 – June 30, 2003



Members of the
Uniformed Services

The Thrift Savings Plan is a voluntary retirement savings and investment plan for Federal civilian employees and members of the uniformed services. The money you save and earn through your TSP account will provide an important source of retirement income. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw your account.

This open season you can elect to contribute up to 8% of your basic pay each month. If you elect to contribute from basic pay, you may also elect to contribute up to 100% of incentive pay and special pay, including bonus pay, that you receive, but your total contributions from taxable pay for the year may not exceed the Internal Revenue Service (IRS) limit (\$12,000 for 2003).

Contributions from pay earned in a combat zone are not included in this limit, but they count toward another IRS limit which specifies that yearly TSP contributions cannot exceed 100% of compensation or \$40,000, whichever is less. If you also contribute to a civilian TSP account, contributions to both your accounts (including agency contributions) cannot exceed that limit.

The TSP open season is your chance to start or change the amount of your contributions to your TSP account. Ask your service TSP representative for the TSP Election Form (TSP-U-1) or download a copy from the TSP Web site, www.tsp.gov. Your contributions will be made automatically from your pay each month.

Beginning in July, **if you are age 50 or older**, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional “catch-up” contributions from your taxable basic pay up to \$2,000 for 2003. Use Form TSP-U-1-C.

Note: Some services use an electronic version of Forms TSP-U-1 and TSP-U-1-C. For example, most members of the Department of Defense have access to MyPay. Check with your service TSP representative for guidance.

You can choose among five investment funds:

- **Government Securities Investment (G) Fund** — invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP
- **Fixed Income Index Investment (F) Fund** — invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index
- **Common Stock Index Investment (C) Fund** — invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index (which comprises large companies)
- **Small Capitalization Stock Index Investment (S) Fund** — invested in a stock index fund that tracks the Wilshire 4500 stock index (which comprises small and medium companies)
- **International Stock Index Investment (I) Fund** — invested in a stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index (which comprises stocks in 21 countries)

There is no guarantee that future rates of return will replicate historical rates. There is risk of investment loss in the F, C, S, and I Funds.

TSP returns are calculated monthly. You can get the most recent returns by visiting the TSP Web site at www.tsp.gov or by calling the ThriftLine at (504) 255-8777.

The annual rates of return (net earnings after expenses) for the G, F, C, S, and I Funds are shown below.

Year	G Fund	F Fund	C Fund
1993	6.1%	9.5%	10.1%
1994	7.2%	−3.0%	1.3%
1995	7.0%	18.3%	37.4%
1996	6.8%	3.7%	22.8%
1997	6.8%	9.6%	33.2%
1998	5.7%	8.7%	28.4%
1999	6.0%	−0.8%	21.0%
2000	6.4%	11.7%	−9.1%
2001	5.4%	8.6%	−11.9%
2002	5.0%	10.3%	−22.0%
1993 – 2002 compound annual rates of return	6.2%	7.5%	9.3%

Year	S Fund*	I Fund*
1993	14.6%	32.7%
1994	−2.7%	7.8%
1995	33.5%	11.3%
1996	17.2%	6.1%
1997	25.7%	1.5%
1998	8.6%	20.1%
1999	35.5%	26.7%
2000	−15.8%	−14.2%
2001	−9.0%	−21.9%
2002	−18.1%	−16.0%
1993 – 2002 compound annual rates of return	7.3%	4.0%

* The S and I Funds were implemented in May 2001. The S Fund tracks the Wilshire 4500 stock index. The I Fund tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index. The returns shown reflect the actual performance of the S and I Funds from May 2001 forward, and the returns of the Wilshire 4500 and EAFE indexes (without deduction of any administrative expenses, trading costs, or investment management fees), respectively, for the first four months of 2001 and for prior years.

You may choose or change your investments in the following ways:

- **Contribution allocation** — specifies the way in which all new money coming into your account (payroll contributions, loan payments, transfers and rollovers from other retirement plans) is invested in the funds. It does not affect the investment of your current balance. Until you make a contribution allocation, your money will be invested in the G Fund.
- **Interfund transfer** — redistributes the money already in your account. It does not affect the investment of future contributions.

You may make your contribution allocation or interfund transfer at any time using:

- the **TSP Web site** (www.tsp.gov)
- the **ThriftLine** (504-255-8777)
- **Form TSP-U-50, Investment Allocation**

The Web site and the ThriftLine are the most efficient ways to make your investment allocation. You will need your Social Security number and your TSP Personal Identification Number (PIN) to make your request. If you are a new participant, you will receive a PIN in the mail after your account is established. Because your PIN is encrypted, if you lose or forget it, you will have to request a new one.

More information about the TSP

is available from your service. Ask for the *Summary of the Thrift Savings Plan for the Uniformed Services*. Be sure to review the information in the Plan Summary before you make any TSP decisions. If you want more detailed information on the TSP investment funds, ask for the *Guide to TSP Investments*. You can also get information from the uniformed services section of the TSP Web site.

Restrictions on withdrawing your money apply while you are a member of the uniformed services; however, the TSP loan program can give you access to money that you have contributed. Also, in-service withdrawals are available under certain circumstances. Read the Plan Summary for details.

Note: If you are a member of the Ready Reserve and you are already contributing to a TSP account as a civilian employee of the Federal Government, your total combined contributions to the TSP cannot exceed the IRS annual limits.

If, as a civilian, you are covered by the Federal Employees' Retirement System (FERS), and therefore receive matching contributions, be sure that your contributions to your uniformed services account do not cause you to reach the IRS annual limit before the end of the calendar year or you will lose out on matching contributions from your civilian agency.



Thrift Savings Plan for Federal Employees

